



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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Fifth District

May 14, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 May 14, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**AMENDMENT NO. 5 TO LEASE 65676
INFORMATION SYSTEMS ADVISORY BODY
INTERNAL SERVICES DEPARTMENT/DISTRICT ATTORNEY
12750 CENTER COURT DRIVE, CERRITOS
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

This recommendation is for a five-year lease amendment for 20,187 rentable square feet for the Information Systems Advisory Body, Internal Services Department, and District Attorney to provide continued use of existing office space and 81 parking spaces.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, per Section 15301 of the State of California Environmental Quality Act guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign the five-year lease amendment with Cerritos Town Center II, LLC (Lessor) for the Information Systems Advisory Body, Internal Services Department, and District Attorney to continue occupancy of 20,187 square feet of office space and 81 parking spaces located at 12750 Center Court Drive, Cerritos, at a first year lease cost of \$569,274. The program is net County cost.
3. Authorize the Chief Executive Officer, District Attorney, and the Directors of the Information Systems Advisory Board, and Internal Services to implement the project. The lease amendment will

be effective upon approval by the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Information Systems Advisory Body (ISAB), Internal Services Department (ISD), and District Attorney (DA), have been at this location since 1982. The three departments form a computer cooperative to develop and support the Criminal Justice Information System, which provides support for the intra and inter-departmental systems within the Criminal Justice Enterprise (CJE). ISAB, ISD, and DA collectively, have 84 staff at this location. The CJE includes the Alternate Public Defender (APD), DA, Probation, Public Defender, Superior Court, and Sheriff. The facility was designed to work as a consolidated operation to be able to support systems for these key criminal justice entities.

The facility is equipped with expensive high-speed County data communication and workstation equipment to provide improved County and vendor productivity, and a connection to ISD's Downey data center. The departments also host computer training classes and conferences for other County departments and agencies. The cost to duplicate tenant improvements found at this facility and move computer and other equipment to another location would be cost prohibitive.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services. The proposed lease amendment supports this goal by implementing practices and policies to improve communications interoperability between public safety agencies and improving service delivery to the community through partnerships, legislative, and technological efforts. The lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide the County uninterrupted use of 20,187 square feet of office space and 81 onsite parking spaces at a base rent of \$47,439 per month, or \$569,274 annually, i.e., \$2.35 per square foot per month. The base rental rate will reduce the existing rent by the amount of \$8,647/\$103,764 per month/annually, representing a potential savings of \$518,820 over the term of the lease amendment. The Lessor has agreed to provide new paint, carpet cleaning, and the replacement of three Heating Ventilation and Air Conditioning (HVAC) pumps exclusive to the County's use. Attachment B is an overview of the changes in the lease.

This is a full-service gross lease whereby the Lessor is responsible for operating costs associated with the County's occupancy, with the exception of excess utility charges associated with the County's supplemental HVAC units in the premises. The County is responsible for incremental operating expenses beyond the 2013 base year level. The rent is subject to Consumer Price Index (CPI) increases capped at 3.5 percent annually.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2013-14 Recommended Rent Expense budget and will be billed back to the departments as follows: ISAB, 17 percent; ISD, 37 percent; and DA, 46 percent. ISAB, ISD, and DA have sufficient funding in their FY 2013-14 operating budgets to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will provide uninterrupted use of 20,187 square feet of office space and 81 parking spaces and contains the following provisions:

- A five-year term commencing upon approval by the Board, however, no sooner than June 4, 2013.
- A full-service gross basis whereby the Lessor is responsible for the operational and maintenance costs associated with the premises. Incremental operating expenses beyond the 2013 base year level will be billed to the County based on its 14.39 percent pro rata share of occupancy in the building.
- Preparation of premises to include paint, carpet cleaning, and three new heat pumps for the County's communication rooms.
- A cancellation provision allowing the County to cancel any time after three years with five months prior written notice.
- Annual rental rate adjustments based upon the CPI with no minimum and a maximum increase of 3.5 percent per annum.

The Chief Executive Office (CEO), Real Estate staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could suitably accommodate this requirement, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$20.90 and \$29.40 per square foot per year on a full-service basis, i.e., including operational and maintenance costs, utilities, janitorial expenses, and parking. Thus, the base annual rental rate of \$28.20 per square foot per year on a full-service basis, including parking, for the proposed lease amendment represents a rate within the market range for the area. Attachment C shows County-owned or leased facilities available for the program.

The leased premises and related common areas were assessed in regards to the Americans with Disabilities Act (ADA) compliance. The CEO, Civil Disabilities Rights Unit, with concurrence by the Real Estate Division made a determination that a full ADA assessment was not necessary after confirming with the departments that the general public does not access the premises. Thereby, the ADA report was not needed in this case.

The Department of Public Works has inspected this facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

A child care center is not feasible for the departments in the proposed lease premises.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space for this County requirement. ISAB, ISD, and DA concur with the proposed recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed lease amendment, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a stylized flourish and a horizontal line.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:NCH:FC:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services
Information Systems Advisory Board
District Attorney

ATTACHMENT A

**INFORMATION SYSTEMS ADVISORY BODY/
INTERNAL SERVICES DEPARTMENT/DISTRICT ATTORNEY
12750 CENTER COURT DRIVE, CERRITOS
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ² ISAB is a consortium with the DA and ISD in support of various countywide departments		X	
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft. of space per person? ² Lease represents approximately 240 square feet per person, due to computer training room and conference rooms utilized by other County Departments		X	
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?			X
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered? The County intends on eventually placing this program in a centralized Data Center.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?			X
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

ATTACHMENT B**FISCAL IMPACT/FINANCING
OVERVIEW OF LEASE CHANGES**

12750 Center Court Drive, Cerritos	Existing Lease	Proposed Lease Amendment No. 5	Change
Area (square feet)	20,187	20,187	None
Term	Five years (6/04/2008-6/03/2013)	Five years upon Board adoption	None
Annual Rent	\$673,036 (\$33.34/sq.ft.)	\$569,273 (\$28.20/sq.ft.)	-\$103,764 (-\$5.14/sq.ft.)
TI Allowance	\$242,244 (\$12/sq.ft.)	Preparation of premises (est. \$60,600 or \$3/sq.ft.)	-\$181,644 (-\$9.00/sq.ft.)
Cancellation	County after 36 months with 5 months' notice	County after 36 months with 5 months' notice	None
Parking (included)	81 spaces	81 spaces	None
Option to Renew	None	None	None
Rental Adjustment	Automatic 3 percent increases per year plus operating expense pass through over base year	CPI increases capped at 3.5 percent with no minimum increases, plus operating expense pass through over base year	-Automatic increases +CPI increases

**INFORMATION SYSTEMS ADVISORY BOARD/INTERNAL SERVICES
DEPARTMENT/DISTRICT ATTORNEY
SPACE SEARCH- THREE MILE RADIUS**

LACO	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Available SQFT
X168	HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLD	12400 E IMPERIAL HWY, NORWALK 90650	FINANCED	262,510	240,600	NONE
A022	DMH/ALT PUB DEFENDER-NORWALK OFFICE	12440 FIRESTONE BLVD, NORWALK 90650	LEASED	6,525	6,096	NONE
A068	NORWALK GOVERNMENT CENTER (AKA BECHTEL BLDG)	12440 E IMPERIAL HWY, NORWALK 90650	LEASED	216,324	197,893	NONE
A553	DMH-GOVERNMENT CENTER BLDG	12440 E IMPERIAL HWY, NORWALK 90650	LEASED	10,838	9,754	NONE
D221	DPSS-NORWALK WS DISTRICT OFFICE	12727 NORWALK BLVD, NORWALK 90650	LEASED	40,500	30,928	NONE
5685	NORWALK COURTHOUSE	12720 NORWALK BLVD, NORWALK 90650	OWNED	225,008	137,779	NONE
6367	PW SEWER-CENTRAL YARD OFFICE	12015 SHOEMAKER AVE, SANTA FE SPRINGS	OWNED	950	903	NONE
A358	DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE	14714 CARMENITA RD, NORWALK 90650	LEASED	44,250	42,038	NONE
A355	DCFS-SANTA FE SPRINGS (SPA 7)	10355 SLUSHER DR, SANTA FE SPRINGS	LEASED	65,568	50,633	NONE
Y531	STAR CENTER-ADMINISTRATION BUILDING	11515 S COLIMA RD, WHITTIER 90604	FINANCED	8,884	5,780	NONE
Y533	STAR CENTER-ACADEMY BUILDING C	11515 S COLIMA RD, WHITTIER 90604	FINANCED	15,578	8,104	NONE
Y534	STAR CENTER-ACADEMY BUILDING D	11515 S COLIMA RD, WHITTIER 90604	FINANCED	16,551	10,983	NONE
Y535	STAR CENTER-ACADEMY BUILDING E	11515 S COLIMA RD, WHITTIER 90604	FINANCED	19,984	12,864	NONE
Y542	STAR CENTER-ACADEMY BUILDING M	11515 S COLIMA RD, WHITTIER 90604	FINANCED	9,097	7,847	NONE
A498	DCFS-KINSHIP I-SOUTH	9834 NORWALK BLVD, SANTA FE SPRINGS	LEASED	5,875	5,580	NONE
A279	DPW-SOUTH WHITTIER DISTRICT/SHERIFF'S SUB-STN	13523 TELEGRAPH RD, SOUTH WHITTIER 90605	LEASED	3,162	2,981	NONE
A566	SHERIFF - SO CAL HIGH TECH TASK FORCE	9900 NORWALK BLVD, SANTA FE SPRINGS	LEASED	22,880	21,736	NONE
A176	HEALTH SERVICES-EMS	10100 PIONEER BLVD, SANTA FE SPRINGS	LEASED	41,720	39,634	NONE
A511	DCFS-SOUTH WHITTIER COMMUNITY RESOURCE CENTER	10750 LAUREL AVE, WHITTIER 90605	GRATIS USE	150	150	NONE
D812	PW-INC CITY OFFICE (SANTA FE SPRINGS)	11710 TELEGRAPH RD, SANTA FE SPRINGS	GRATIS USE	0	0	NONE
0092	PW ROAD-DIV #146 SUBYARD OFFICE	13671 TELEGRAPH RD, SOUTH WHITTIER 90604	OWNED	576	518	NONE
A402	PW-INC CITY OFFICE (CERRITOS)	18125 S BLOOMFIELD AVE, CERRITOS 90703	GRATIS USE	0	0	NONE
6059	DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG	9150 E IMPERIAL HWY, DOWNEY 90242	OWNED	328,171	249,603	NONE
B632	PW-INC CITY OFFICE (LA MIRADA)	13700 LA MIRADA BLVD, LA MIRADA 90638	GRATIS USE	112	102	NONE
A126	DA-CRIMINAL JUSTICE INFORMATION SYSTEM/ ISAB	12750 CENTER COURT DR, CERRITOS 90703	LEASED	20,187	19,044	NONE
6335	PROBATION-RIO HONDO AREA OFFICE	8240 S BROADWAY AVE, WHITTIER 90606	OWNED	19,997	12,942	NONE
A647	LACO FIRE DEPT-HEALTH HAZARDOUS MATERIALS OFF	9155 TELEGRAPH RD, PICO RIVERA 90660	LEASED	2,400	2,280	NONE

**AMENDMENT NO. 5 TO LEASE NO. 65676
DISTRICT ATTORNEY, INTERNAL SERVICES DEPARTMENT, AND
INFORMATION SYSTEMS ADVISORY BOARD**

THIS AMENDMENT NO. 5 TO LEASE NO. 65676 ("Amendment" or "Amendment No. 5") is made and entered into as of this 14th day of May, 2013, by and between **CERRITOS OFFICE CENTER II, LLC**, a Delaware limited liability company, ("**Lessor**"), and the **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Lessee**").

WHEREAS, CERRITOS OFFICE CENTER II, LLC, a Delaware limited liability company is the successor in interest to EOP-CERRITOS TOWNE CENTER, LLC, a Delaware limited liability company ("**EOP**"), and as such has assumed all obligations of EOP pertaining to Lease No. 65676 (the "**Lease**") originally entered into on December 10, 1991, whereby the Original Lessor (as defined below) leased to Lessee approximately 20,187 rentable square feet of office space commonly known as (the "**Premises**") in the building located at 12750 Center Court Drive, Cerritos, California (the "**Building**"), for a term of sixty (60) months, and;

WHEREAS, the First Amendment to said Lease No. 65676 was made and entered into on April 8, 1997, and the Lease was extended for a period of thirty-six (36) months subject to the conditions contained therein, and;

WHEREAS, AMENDMENT NO. 2 to said Lease No. 65676 was made and entered into on February 29, 2000, and the Lease was extended for a period of thirty-six (36) months and four days subject to the conditions therein, and;

WHEREAS, AMENDMENT NO. 3 to said Lease No. 65676 was made and entered into on April 15, 2003, and the Lease was extended for a period of sixty (60) months and four days subject to the conditions therein, and;

WHEREAS, AMENDMENT NO. 4 to said Lease No. 65676 was made and entered into on June 4, 2008, and the Lease was extended for a period of sixty (60) months subject to the conditions therein, and;

WHEREAS, EOP is the successor in interest to SPIEKER PROPERTIES, L.P. ("**Spieker**"), and as such, assumed all obligations of Spieker pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, Spieker is the successor in interest to BLOOMFIELD ASSOCIATES, ("**Original Lessor**,") and as such, assumed all obligations of Original Lessor pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of extending the term of the Lease and modifying certain provisions of the Lease as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements

hereinafter contained, and are intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 65676 as follows:

1. Paragraph 2, TERM, of the Lease is hereby amended by addition of the following:

Extension of Term: The extended term of the Lease shall be for a period of sixty (60) months (the "Extended Term") commencing upon approval of this Amendment by the Board of Supervisors (the "**Extended Term Commencement Date**"), but in no event sooner than June 4, 2013, and ending sixty (60) months thereafter. This Amendment, including the Extended Term, shall become effective contingent upon its express approval by the Board of Supervisors of the County of Los Angeles. If for any reason this Amendment has not been approved by the Board of Supervisors of the County of Los Angeles by June 4, 2013, Lessee shall continue to pay rent under the Lease at the existing rate until this Amendment is approved and the Extended Term Commencement Date occurs.

2. Paragraph 3, RENT, of the Lease is hereby deleted in its entirety, and replaced with the following:

A. Rent: Lessee agrees to pay as Basic Rent for the Premises the sum of FORTY-SEVEN THOUSAND FOUR HUNDRED THIRTY-NINE AND 45/100 DOLLARS (\$47,439.45) per month, i.e. \$2.35 per rentable square foot per month, during the first year of the Extended Term within 15 days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

B. Rental Adjustment: On each anniversary of the Extended Term Commencement Date, Basic Rent for the Extended Term shall be adjusted as defined herein.

(i) CPI. From and after the first anniversary of the Extended Term Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Extended Term commences.

(ii) CPI Formula. The "Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Basic Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Basic Index. If the Index is changed so that the Index differs from that used as of the Extended Term Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Extended Term, such other governmental Index or computation with

which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(iii) Illustration of Formula. The formula for determining the new rent shall be as follows:

New Index X \$47,439.45 (Basic Rent)
Basic Index

+ Amount needed to amortize Tenant's Additional Tenant Improvements, if any

+ Amount needed to amortize change order costs, if any

= Monthly Basic Rent

(iv) Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase greater than three and a half percent (3.5%) per year of the Basic Rent (i.e. not more than \$1,660.38 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

3. Paragraph 17, INSURANCE/INDEMNIFICATION, Item A. Lessor's Obligations, Second subparagraph, of the Lease is hereby deleted in its entirety, and replaced with the following for purposes of updating the insurance coverage limits required to be maintained by Lessor:

During the term of this Lease, Lessor shall also at all times maintain in force a policy of comprehensive public liability insurance insuring against injury to persons and damage to property. This policy shall have a combined single limit coverage of not less than One Million Dollars (\$1,000,000) per occurrence. The policy coverage shall be reviewed by the insurer at least every year to assure sufficient coverage:

4. Paragraph 17. INSURANCE/INDEMNIFICATION, Item B. Lessee's Obligations, Third subparagraph, of the Lease is hereby deleted in its entirety, and replaced with the following for purposes of updating the insurance coverage limits required to be maintained by Lessee:

Lessee shall at all times during the term hereof obtain and continue in force bodily injury liability and property damage liability insurance adequate to protect Lessor against liability for injury to or death of any person in connection with the activities of Lessee in, on or about the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less than Five Million Dollars (\$5,000,000) for injuries to persons in one accident, not less than One Million Dollars (\$1,000,000) for injury to any one person and not less than Two Million Dollars (\$2,000,000) with respect to damage to property. The limits of such insurance do not necessarily limit the liability of Lessee hereunder. All public liability and property damage policies shall contain a provision that Lessor, although named as an insured,

shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its partners, agents and employees by reason of the negligence of Lessee.

5. Paragraph 25, LESSEE IMPROVEMENTS, of the Lease is hereby deleted in its entirety, and replaced with the following:

A. Lessee acknowledges that it is already in possession of the Premises pursuant to Lease No. 65676, and that Lessor shall be deemed to have delivered possession of the Premises to Lessee on the Extended Term Commencement Date in an "as-is" condition with no alterations or improvements being made by Lessor except the following:

B. Tenant Improvements: Lessor shall, at Lessor's cost following the Extended Term Commencement Date, perform the work more particularly described in Item (C) herein (the "Lessor Work"). The Lessor Work shall be performed using building standard materials, procedures and specifications, as set forth in Section 5 (C) herein. Lessor agrees to perform the Lessor Work before 7:00 a.m. or after 6:00 p.m. on Mondays through Fridays and/or at any time on the weekends. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the construction of the Lessor Work. Notwithstanding the immediately preceding sentence, in connection with the performance of the Lessor Work, Lessor agrees to move, to the extent necessary, but at no liability to Lessor, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Lessor Work; provided, however, Lessee shall be required to move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Lessor Work in a manner so as to minimize unreasonable interference with Lessee's business at the Premises. Lessor shall endeavor to perform all Lessor work within three (3) months of the approval of this Amendment by the Board of Supervisors of the County of Los Angeles.

C. Lessor, at Lessor's sole cost and expense, shall perform the following tenant improvements in the Premises, utilizing Lessee's current standard grade, quality, make, style, design, color, materials and construction methods for the Building, as applicable:

Paint:

- i. Paint all existing interior spaces including, but not limited to, walls, hard-lid ceilings, doors, and trim. Door frames are not to be painted. Provide one primer coat and two finish coats.
- ii. Provide one base color, and two accent colors:
- iii. Specify Dunn Edwards, or approved equal.
- iv. Walls that are behind cubicles, filing cabinets or millwork shall not be painted. Tenant will remove all items from walls prior to painting, including memos, tape, pictures, and personal property, but Landlord will remove and reinstall bulletin boards, white boards and similar wall items.

Miscellaneous:

- i. Cleaning and spot treatment of carpet.
- ii. Lessor will replace heat pumps in the server and IT rooms with three McQuay water source heat pumps-one 3.0 ton, one 3.5 ton and one 4 ton unit.

6. Paragraph 26, OPERATING COSTS, of the Lease is hereby amended as follows:

For purposes of calculating Lessor's Base Year Costs during the Extended Term under Paragraph 26 of the Lease, the definition of "Base Year" shall be amended to reflect the calendar year 2013. Applicable costs in excess of the Base Year will be paid by Lessee based on its pro rata share of such costs.

7. Paragraph 33, ADDITIONAL MISCELLANEOUS, of the Lease is hereby amended by deleting the subparagraph entitled "Brokers" and replacing it with the following:

Brokers: Lessor and Lessee agree Lessee shall receive from Lessor or Lessor's broker, within ten days after the execution of this Amendment, an amount equal to \$56,927.34 (i.e., fifty percent (50%) of all commissions due to Lessor's broker as a result of this execution of this Amendment). Each party represents and warrants to the other that no broker, agent or finder, other than Lessor's broker, Cushman & Wakefield of California, Inc., negotiated or was instrumental in negotiating or consummating this Amendment. Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any person or entity, other than Lessor's broker referenced above, who claims or alleges that they were retained or engaged by the indemnifying party or at the request of such party in connection with this Amendment.

8. Paragraph 40, TENANT'S RIGHT OF TERMINATION, of the Lease is hereby deleted in its entirety, and replaced with the following:

Lessee shall have the right to cancel this Lease at or any time after the expiration of the thirty sixth (36th) month of the Extended Term by giving Lessor five (5) months prior written notice of its intent to cancel by letter from the County's Chief Executive Office. If such cancellation is exercised, Lessee shall reimburse Lessor no later than thirty (30) days after such cancellation in a lump sum for the unamortized cost of the leasing commissions paid by Lessor in connection with this Amendment, including the amount paid to Lessee pursuant to Section 6 of this Amendment.

9. Paragraph 41, COMPLIANCE WITH LAW, shall be added to the Lease as follows: Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans

with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of, or alterations or improvements to, the Premises.

10. Paragraph 42, SUPPLEMENTAL HVAC MAINTENANCE, shall be added to the Lease as follows: Notwithstanding anything to the contrary in the Lease, Lessor and Lessee acknowledge and agree that (A) Lessor shall be responsible, subject to inclusion in Expenses, for the maintenance, repair and replacement of the supplemental HVAC units in the Premises, and (B) Lessee shall reimburse Lessor, within thirty (30) days of Lessee's receipt of Lessor's invoice, for all utilities consumed by such supplemental HVAC units.

11. Paragraph 43, ORIGINAL LEASE IN FULL FORCE, of the Lease shall be added to the Lease as follows: Notwithstanding anything to the contrary herein, all of the terms and conditions contained in the Lease and the prior amendments to the Lease, which are not modified by this Amendment shall remain in full force and effect. In the event of a conflict between the Lease and the prior amendments to the Lease and this Amendment, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested to by the Clerk thereof the day, month, and year first above written.

"LESSOR"

CERRITOS TOWN CENTER II, LLC


a Delaware limited liability company

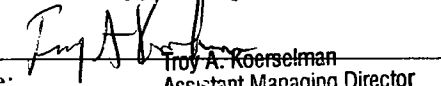
By: SOUTH BURGUNDY PLACE REIT, LLC,
a Delaware limited liability company

By: PRINCIPAL ENHANCED PROPERTY
FUND, L.P.,
a Delaware limited partnership, its member

By: PRINCIPAL ENHANCED PROPERTY
FUND GP, LLC,
a Delaware limited liability company,
its general partner

By: PRINCIPAL REAL ESTATE
INVESTORS, LLC,
a Delaware limited liability company,
its sole member

By: 
Name: Kevin B. Anderson
Title: Investment Director
Asset Management

By: 
Name: Troy A. Koerselman
Title: Assistant Managing Director
Asset Management

--SIGNATURES CONTINUED ON NEXT PAGE--

"LESSEE"

COUNTY OF LOS ANGELES,
a body corporate and politic

By: Mark Ridley-Thomas

Name: MARK RIDLEY-THOMAS

Its: Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI,
Executive Officer-Clerk of the Board of Supervisors

By: Sachelle Smitherman

DEPUTY

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: John F. Krattli

Deputy



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

Sachelle Smitherman
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21

MAY 14 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

65676

Supplement No. 5